

## HOUSE BILL NO. 7

INTRODUCED BY CALLAHAN

BY REQUEST OF THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION AND THE  
OFFICE OF BUDGET AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR RECLAMATION AND DEVELOPMENT GRANTS;  
TEMPORARILY AUTHORIZING ADDITIONAL USES OF THE RECLAMATION AND DEVELOPMENT GRANTS  
STATE SPECIAL REVENUE ACCOUNT; APPROPRIATING MONEY TO THE DEPARTMENT OF NATURAL  
RESOURCES AND CONSERVATION FOR GRANTS FOR DESIGNATED PROJECTS UNDER THE  
RECLAMATION AND DEVELOPMENT GRANTS PROGRAM; PRIORITIZING GRANTS AND AMOUNTS;  
ESTABLISHING CONDITIONS FOR GRANTS; TRANSFERRING FUNDS; TEMPORARILY REVISING THE USE  
OF THE RECLAMATION AND DEVELOPMENT GRANTS ACCOUNT; AMENDING SECTION 90-2-1104, MCA;  
AND PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE DATES."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Appropriations for reclamation and development grants.** (1) The  
amount of ~~\$4~~ \$4.9 million is appropriated to the department of natural resources and conservation from the  
reclamation and development grants special revenue account established in 90-2-1104 from funds allocated  
for the purpose of making grants from the interest income of the resource indemnity trust fund as set forth in Title  
15, chapter 38.

(2) The funds appropriated in this section must be awarded by the department to the entities listed in  
[section 2] for the prescribed purposes and in the prescribed grant amounts, subject to the conditions provided  
in [sections 2 through 5].

NEW SECTION. **Section 2. Approved grants and projects.** (1) The legislature approves the grants  
listed in subsection (2), to be made in the order of priority as indicated within the following list of projects and  
activities. If the conditions in [sections 3 and 4] are met, funds must be awarded up to the amounts approved  
in this section in order of priority until available funds are expended. Funds not accepted by grantees or funds  
not used by higher-ranked projects and activities must be provided for projects and activities lower on the priority

list that would not otherwise receive funding. Descriptions of the various projects and activities and specific conditions established for each project and activity are contained within the department of natural resources and conservation's reclamation and development grants program report to the 59th legislature for the 2007 biennium.

(2) The following are the grants program prioritized projects and activities:

Applicant/Project	Grant Amount
Montana Board of Oil and Gas Conservation	
(2005 Eastern District Orphaned Well Plug and Abandonment)	\$300,000
Montana Board of Oil and Gas Conservation	
(2005 Northern District Orphaned Well Plug and Abandonment)	\$300,000
Montana Department of Environmental Quality	
(Bluebird Mine Reclamation)	\$300,000
Montana Department of Environmental Quality	
(Frohner Mine Reclamation)	\$300,000
Montana Department of Environmental Quality	
(Buckeye Mine and Millsite Reclamation)	\$300,000
Lewistown, City of	
(Reclamation of Brewery Flats on Big Spring Creek)	\$300,000
Montana Department of Natural Resources and Conservation	
(St. Mary Studies and Design)	<del>\$300,000</del>
	<u>\$900,000</u>
Butte-Silver Bow Local Government	
(Belmont Shaft Failure and Subsidence Mitigation)	\$300,000
Pondera County	
(Oil and Gas Well Plug and Abandonment)	\$100,000
Custer County Conservation District	
(Yellowstone River Resource Conservation Project)	\$299,965
Teton County	
(Oil and Gas Well Plug and Abandonment)	\$50,000
Toole County	
(Plugging and Abandonment Aid to Small Oil Operators)	\$150,000

1	Montana Department of Environmental Quality	
2	(Zortman Mine--Completion of Reclamation Alternative Z6)	\$300,000
3	Butte-Silver Bow Local Government	
4	(Excelsior Reclamation)	\$129,800
5	Powell County	
6	(Wetland Reclamation and Redevelopment)	\$240,850
7	Montana Department of Environmental Quality	
8	(MTS Tire Recyclers Cleanup)	\$300,000
9	<u>MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY</u>	
10	<u>(FORMER HARLEM EQUITY CO-OP BULK PLANT)</u>	<u>\$285,572</u>

11 (3) To the entities listed in this section, this appropriation constitutes a valid obligation of these funds  
12 for purposes of encumbering the funds within the 2007 biennium pursuant to 17-7-302.

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14 NEW SECTION. Section 3. Coordination of fund sources for grants program projects. A sponsor  
15 of a grants program project who has applied for a grant for that project under both the reclamation and  
16 development grants program and the renewable resource grant and loan program may not receive duplicate  
17 funding.

18  
19 NEW SECTION. Section 4. Condition of grants. Disbursement of grant funds under [sections 1  
20 through 5] is subject to the following conditions that must be met by the project sponsor:

21 (1) A scope of work and budget for the project must be approved by the department of natural resources  
22 and conservation. Reduction in a scope of work or budget may not affect priority activities or improvements.

23 (2) Other funds required for project completion must have been committed, and the commitment must  
24 be documented.

25 (3) The project sponsor shall show satisfactory completion of conditions described in the  
26 recommendation section of the project narrative of the reclamation and development grants program report to  
27 the legislature for the 2007 biennium.

28 (4) An agreement between the department and the project sponsor must be executed in a timely  
29 manner, taking into consideration any changed conditions or circumstances that govern the administration and  
30 disbursement of funds.

(5) Any other specific requirements considered necessary by the department must be met to accomplish the purpose of the grant as evidenced from the application to the department or as defined by the legislature.

**NEW SECTION. Section 5. Other appropriations.** There is appropriated to any entity of state government that receives a grant under [sections 1 through 4] the amount of the grant upon award of the grant by the department of natural resources and conservation. Grants to state entities from a prior biennium are reauthorized for completion of contract work.

**NEW SECTION. Section 6. Fund transfers.** On July 1, 2005, there is transferred from the reclamation and development grants special revenue account established in 90-2-1104:

- (1) ~~\$100,000~~ \$57,115.94 to the environmental contingency account established in 75-1-1101; and
- (2) \$400,000 to the renewable resource grant and loan program state special revenue account created in 85-1-604.

**Section 7.** Section 90-2-1104, MCA, is amended to read:

**"90-2-1104. Reclamation and development grants account.** (1) There is a reclamation and development grants special revenue account within the state special revenue fund established in 17-2-102.

(2) There must be paid into the reclamation and development grants account money allocated from:

- (a) the interest income of the resource indemnity trust fund under the provisions of 15-38-202;
- (b) the resource indemnity and ground water assessment tax under provisions of 15-38-106;
- (c) the metal mines license tax proceeds as provided in 15-37-117(1)(d); and
- (d) the oil and gas production tax as provided in 15-36-331.

(3) ~~Appropriations~~ After the fund transfers in [section 6] are made, appropriations may be made from the reclamation and development grants account for the following purposes:

- (a) grants for designated projects; and
- (b) administrative expenses, including salaries and expenses for personnel, equipment, office space, and other expenses necessarily incurred in the administration of the grants program. These expenses may be funded before funding of projects.

(4) FOR THE BIENNIUM BEGINNING JULY 1, 2005, APPROPRIATIONS MAY BE MADE FROM THE RECLAMATION AND DEVELOPMENT GRANTS SPECIAL REVENUE ACCOUNT FOR ADMINISTRATIVE EXPENSES, INCLUDING SALARIES AND

1 EXPENSES FOR PERSONNEL AND EQUIPMENT, OFFICE SPACE, AND OTHER EXPENSES NECESSARILY INCURRED IN NATURAL  
2 RESOURCE-RELATED PROGRAMS."

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4 NEW SECTION. Section 8. Severability. If a part of [this act] is invalid, all valid parts that are  
5 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications,  
6 the part remains in effect in all valid applications that are severable from the invalid applications.

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8 NEW SECTION. Section 9. Effective date. [This act] is effective July 1, 2005.

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10 NEW SECTION. Section 10. Termination. (1) [Section 7(3)] terminates July 30, 2005.

11 (2) [SECTION 7(4)] TERMINATES JUNE 30, 2007.

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